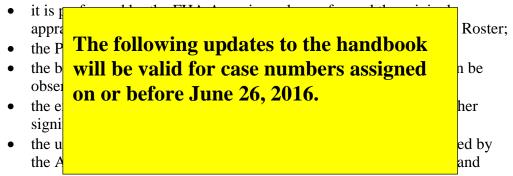
The following are the provisions of Mortgagee Letter 2015-08 that will be incorporated into the 4000.1 FHA Single Family Housing Policy Handbook, issued March 18, 2015, as shown at <a href="http://portal.hud.gov/hudportal/HUD?src=/program\_offices/housing/sfh/handbook\_4000-1">http://portal.hud.gov/hudportal/HUD?src=/program\_offices/housing/sfh/handbook\_4000-1</a>.

- A. Title II Insured Housing Programs Forward Mortgages
- 1. Origination/Processing (to be inserted at current page 86)

The Mortgagee may use an update of appraisal only if:



• the original appraisal report was not previously updated.

### (10) Appraisal Delivery - Electronic Appraisal Delivery Portal

# (a) **Definition**

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA Single Family appraisal reports prior to endorsement.

#### (b) Standard

Mortgagees or their designated third-party service providers may deliver appraisals through the EAD portal or continue delivery in accordance with the Post Closing and Endorsement Process of this Handbook. The delivery of appraisals through the EAD portal may begin as soon as the Mortgagee receives access credentials and validates that they are ready to use the new technology.

# (c) Required Documentation

Appraisals submitted through the EAD are the appraisal of record for endorsement.

A. Title II Insured Housing Programs Forward Mortgages

7. Post-Closing and Endorsement (to be inserted at current page 302)

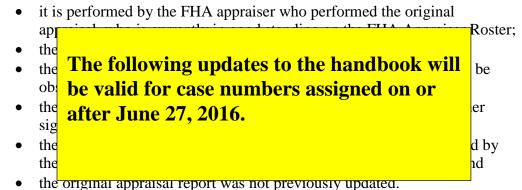
# (C) Uniform Case Binder Stacking Order

The mortgagee must ensure that all required documents, as applicable, are arranged in the stacking order chart below:

| Left Side   |                       |
|---|-----------------------|
| Appraisal and Related Documents                         |                       |
| Conditional Commitment Direct Endorsement Statement     | HUD-92800.B           |
| of Appraised Value                                      |                       |
| Compliance Inspection Report                            | HUD-92051             |
| Mortgagee Assurance of Completion                       | HUD-92300             |
| Appraisal Update or Completion Report                   | Fannie Mae form 1004D |
| (Not required for appraisals submitted through the      |                       |
| Electronic Appraisal Delivery Portal (EAD))             |                       |
| Appraisal Report, including all attachments and         | Fannie Mae Form 1004  |
| endorsements (Uniform Residential Appraisal Report,     | Fannie Mae Form 1073  |
| Individual Condominium Unit Appraisal Report,           | Fannie Mae Form 1004C |
| Manufactured Homes Appraisal Report, or                 | Fannie Mae Form 1025  |
| Small Residential Income Property Appraisal Report)     |                       |
| (Not required for appraisals submitted through the      |                       |
| Electronic Appraisal Delivery Portal (EAD))             |                       |
| Life of Loan Flood Certification                        |                       |
| Evidence of Flood Insurance (required if property is in |                       |
| flood zone A or V.)                                     |                       |
| Evidence of hazard insurance                            |                       |
| Wood Destroying Insect Infestation Report or state      | NPMA-33               |
| mandated report   |                       |
| Waivers – Property specific issued by HOC               |                       |
| Borrower's Contract with Respect to Hotel and Transient | HUD-92561             |
| Use of Property   |                       |
| New Construction Exhibits (for all properties built or  |                       |
| proposed in the last 12 months)                         |                       |
| Builder's Certification                                 | HUD-92541             |
| Warranty of Completion of Construction                  | HUD-92544             |
| Certificate of Occupancy and Building Permit            |                       |
| 10 Year Warranty Plan Coverage and Final Inspection     |                       |
| Early Start Letter & 3 FHA Inspections                  |                       |
| Local Health Authority Approval for Individual Water    |                       |
| and Sewer Systems                                       |                       |
| Subterranean Termite Protection Builder's Guarantee     | NPMA-99A              |
| New Construction Subterranean Termite Service Record    | NPMA-99B              |
| LOMR, LOMA, Elevation Certificate                       |                       |

- A. Title II Insured Housing Programs Forward Mortgages
- 1. Origination/Processing (to be inserted at current page 86)

The mortgagee may use an update of appraisal only if:



# (10) Appraisal Delivery - Electronic Appraisal Delivery Portal

#### (a) **Definition**

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA appraisal reports prior to endorsement.

#### (b) Standard

Mortgagees or their designated third-party service providers must deliver appraisals through the EAD portal.

### (c) Required Documentation

Appraisals submitted through the EAD portal will become the appraisal of record for endorsement.

A. Title II Insured Housing Programs Forward Mortgages

7. Post-Closing and Endorsement (to be inserted at current page 302)

# (C) Uniform Case Binder Stacking Order

The mortgagee must ensure that all required documents, as applicable, are arranged in the stacking order table below.

All appraisals must be submitted through FHA's EAD portal prior to endorsement. Complete instructions and data delivery format requirements for each appraisal form are found in the Appraisal Report and Data Delivery Guide.

| Left Side   |             |
|---|-------------|
| Appraisal and Related Documents                         |             |
| Conditional Commitment Direct Endorsement Statement     | HUD-92800.B |
| of Appraised Value                                      |             |
| Compliance Inspection Report                            | HUD-92051   |
| Mortgagee Assurance of Completion                       | HUD-92300   |
| Life of Loan Flood Certification                        |             |
| Evidence of Flood Insurance (required if property is in |             |
| flood zone A or V.)                                     |             |
| Evidence of hazard insurance                            |             |
| Wood Destroying Insect Infestation Report or state      | NPMA-33     |
| mandated report   |             |
| Waivers – Property specific issued by HOC               |             |
| Borrower's Contract with Respect to Hotel and Transient | HUD-92561   |
| Use of Property   |             |
| New Construction Exhibits (for all properties built or  |             |
| proposed in the last 12 months)                         |             |
| Builder's Certification                                 | HUD-92541   |
| Warranty of Completion of Construction                  | HUD-92544   |
| Certificate of Occupancy and Building Permit            |             |
| 10 Year Warranty Plan Coverage and Final Inspection     |             |
| Early Start Letter & 3 FHA Inspections                  |             |
| Local Health Authority Approval for Individual Water    |             |
| and Sewer Systems                                       |             |
| Subterranean Termite Protection Builder's Guarantee     | NPMA-99A    |
| New Construction Subterranean Termite Service Record    | NPMA-99B    |
| LOMR, LOMA, Elevation Certificate                       |             |

- B. Appraiser and Property Requirements for Title II Forward and Reverse Mortgages
- 7. General Appraiser Requirements (to be inserted at current page 422)

# 3. Acceptable Appraisal Reporting Forms and Protocols

FHA only accepts appraisals in the Mortgage Information Standards Maintenance Organization (MISMO) 2.6 with embedded PDF format, as created directly by the appraiser (first generation). FHA does not accept private or proprietary data formats or appraisal reports that have been manipulated or "translated" by anyone or any process.

The Appraiser must complete the <u>Fannie Mae Form 1004 MC/Freddie Mac Form 71</u>, *Market Conditions Addendum to the Appraisal Report*, for every appraisal. Other forms to be used in the completion of an FHA appraisal are as follows:

| Property/Assignment Type             | Acceptable Reporting Form                       |
|--------------------------------------|---|
| Single Family, Detached, Attached or | Fannie Mae Form 1004/Freddie Mac Form 70,       |
| Semi-Detached Residential Property   | Uniform Residential Appraisal Report (URAR);    |
|                                      | Mortgage Industry Standards Maintenance         |
|                                      | Organization (MISMO) 2.6 Government-Sponsored   |
|                                      | Enterprise (GSE) format                         |
| Single Unit Condominium              | Fannie Mae Form 1073/Freddie Mac Form 465,      |
|                                      | Individual Condominium Unit Appraisal Report;   |
|                                      | MISMO 2.6 GSE format                            |
| Manufactured (HUD Code) Housing      | Fannie Mae Form 1004C/Freddie Mac Form 70B,     |
|                                      | Manufactured Home Appraisal Report; MISMO 2.6   |
|                                      | Errata 1 format                                 |
| Small Residential Income Properties  | Fannie Mae Form 1025/Freddie Mac Form 72, Small |
| (Two to Four Units)                  | Residential Income Property Appraisal Report;   |
|                                      | MISMO 2.6 Errata 1 format                       |

# FHA Single Family Housing Policy Handbook Glossary (to be inserted at current page 8)

# **Early Start Letter**

Early Start Letter refers to the document issued by the Mortgagee in response to a builder's request to start construction before the appraisal is completed.

#### **Easement**

An Easement refers to an interest in land owned by another person, consisting of the right to use or control the land, or an area above or below it, for a specific limited purpose.

#### **Economic Event**

Economic Event refers to any occurrence beyond the Borrower's control that results in loss of employment, loss of income, or a combination of both, which causes a reduction in the Borrower's household income of 20 percent or more for a period of at least six months.

#### **Effective Income**

Effective Income refers to income that may be used to qualify a Borrower for a Mortgage.

# **Electronic Appraisal Delivery**

The Electronic Appraisal Delivery (EAD) portal is a web-based platform where mortgagees or their designated third-party service providers electronically deliver FHA appraisal reports prior to endorsement.

# **Eligible Contractor**

Eligible Contractor refers to a contractor that meets all state and local licensing requirements and, if applicable, federal certification requirements.

# **Employer Assistance**

Employer Assistance refers to benefits provided by an employer to relocate the Borrower or assist in the Borrower's housing purchase, including closing costs, Mortgage Insurance Premiums, or any portion of the Minimum Required Investment.

#### **Employer Housing Subsidy**

Employer Housing Subsidy refers to employer-provided mortgage assistance.

### **Employment Authorization Document**

Employment Authorization Document refers to the form provided by the U.S. Citizenship and Immigration Services (USCIS) that proves an individual is allowed to work in the United States for a specific period of time.

#### **Employment Income**

Employment Income refers to income received as an employee of a business that is reported on IRS Form W-2.